

**U.S. Small Business Administration**  
Hawaii District Office

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**For More Information**

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:  
1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: [answerdesk@sba.gov](mailto:answerdesk@sba.gov)
- TDD: 704-344-6640
- Your rights to regulatory fairness:  
1-800-REG-FAIR
- SBA Home Page: [www.sba.gov](http://www.sba.gov)

*All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.*



**Bank of Hawaii**



**AMERICAN**  
Savings Bank

## **BANK OF HAWAII AND AMERICAN SAVINGS BANK ARE SBA LENDERS OF THE YEAR**

**Bank of Hawaii won first place in SBA's 2003 Lender of the Year Award – Category I, and American Savings Bank won first place for Category II.** The different categories represent large versus smaller lending institutions. Bank of Hawaii won the Category I Award by making 89 SBA 7(a) loans for a point total of 210 during the 2003 fiscal year, which ran from October 1, 2002 to September 30, 2003. First Hawaiian Bank came in a close second with 76 loans for 177 points. American Savings Bank won the Category II Award for the second year in a row by making 25 loans for a total of 64 points. City Bank came in second with 13 loans for 29 points. Congratulations to the winners!

## **SBA LENDING OFFICERS OF THE YEAR AMERICAN SAVINGS BANK WINS ON OAHU; BANK OF HAWAII & FIRST HAWAIIAN BANK TAKE HONORS ON NEIGHBOR ISLANDS**

**John Dickinson** of American Savings Bank won first place in SBA's 2003 Lending Officer of the Year Award for Oahu. On Kauai and Maui, **Jeff Murata** and **Bard Peterson** of First Hawaiian Bank won first place for their islands. And on the Big Island, **Calvin Kang** and **Alison Jones** of Bank of Hawaii won first place for the East and West Hawaii markets. Eighty lending officers from 7 lending institutions participated in the contest. Awards and certificates will be presented to the winners, the runners-up, and honorable mentions at the luncheon following the HEDCO 504 Training on October 20, 2003 at the Renaissance Ilikai Waikiki Hotel.

***Final Contest Results for the SBA Lender of the Year and SBA Lending Officer of the Year can be seen on pages 6 – 8.***

## **SBA EXPRESS: HELPING CUSTOMERS WITH THEIR LONG-TERM AND SHORT-TERM FINANCING NEEDS**

Often, business owners are faced with a variety of financing needs. Sometimes those needs are difficult for lenders to structure in a loan package, let alone an SBA-guaranteed loan package. **Fortunately, SBAExpress gives lenders the flexibility to structure loans to better fit the needs of their customers.**

SBAExpress provides a 50% government guaranty. The loan program can be used to guaranty long and short term loans, as well as term and revolving credit loans. **Instead of trying to incorporate financing needs of varying repayment structures into a single loan, SBAExpress loans may be split into two or more separate loans to better accommodate a customer's financing needs.** But, the lender must have a legitimate reason for splitting a loan.

According to SBAExpress program guide:

“A lender may not approve more than one SBAExpress loan to the same borrower for the same project, unless there is a legitimate need to do so. A loan for a project may not be split into multiple smaller loans in order to avoid SBA fees or requirements.

Example 1: A borrower needs \$75,000 for working capital. A lender proposes to make three SBAExpress loans of \$25,000 each, so that none of the loans require collateral. The loans are not eligible for SBA Express because the reason for splitting the loan is to avoid an SBA requirement.

Example 2: A borrower needs \$250,000 to start a business -- \$200,000 to purchase equipment and a \$50,000 line of credit. The lender applies for two separate SBAExpress loans because the maturity and repayment terms will be different for the equipment purchase and the line of credit. The loans are eligible for SBAExpress.

Some SBA Lenders have used the flexibility afforded to them by SBAExpress to offer borrowers a credit card, backed by SBA's guaranty, along with a term loan.

For more information about SBAExpress, click on the SBAExpress Program Guide at, [www.sba.gov/banking](http://www.sba.gov/banking) or contact the Hawaii District Office.

## **7(A) LOAN DISBURSEMENT PERIODS AND AUTHORITY TO APPROVE EXTENSIONS**

### **MODIFICATION TO SOP 50-10**

**SBA Policy Notice 5000-882 was issued on August 27, 2003 and modified 7(a) loan disbursement periods and the authority to approve extensions.**

Prior to the modification, SOP 50-10 stated that “initial disbursement for a 7(a) loan shall be within 6 months of approval, and the final disbursement shall be within 12 months of approval unless SBA agrees to an extension in writing.”

Policy Notice 5000-882 modifies the old requirements by allowing lenders more flexibility and authority to determine and change disbursement periods.

The revised SOP now states that “the initial disbursement should occur within 6 months of the loan approval date. An extension of the initial disbursement period may be considered when it benefits the borrower.”

In addition, “A lender that has processed a loan under its delegated authority (e.g., PLP, SBAExpress, etc.) may, for that loan, extend the initial disbursement period beyond 6 months or extend any disbursement period beyond 24 months under its delegated authority. The lender must fully document its own loan file with the reasons for the extension, along with the other documentation requirements noted in this section. The lender also must notify the SBA office (where the loan file resides) of the extension along with the revised initial and/or final disbursement dates so that SBA can update its loan database.

Please refer to SBA Policy Notice 5000-882 for complete details. The notice can be accessed at the following website:

<http://www.sba.gov/banking/indexnotices.html>.

## SBA COMMUNITY EXPRESS LOAN PROGRAM TAKES OFF

**The SBA Community *Express* loan program has taken off.** Community *Express* is a pilot SBA loan program and has quickly become hugely popular with Hawaii's small business community. The program was created to help boost economic development and job creation by providing loans and technical assistance to small businesses from underserved segments of Hawaii's small business community. Businesses owned by women, minorities, or veterans are eligible for the loan, as well as businesses located in low to moderate income areas.

During the fiscal year 2003, there were 51 Community *Express* Loans approved for a total of \$379,000 to Hawaii small businesses. The average loan amount was just \$5,000.

Innovative Bank, a mainland bank based in Oakland, is currently the only participating lender in the SBA Community *Express* loan program in Hawaii. In fact, the bank is a Community *Express* lender in several states across the country. As a result, Innovative Bank has quickly become one of the country's top lenders to minorities in terms of loan volume.

## THE SMALL BUSINESS COMMUNITY LOSES A GREAT RESOURCE

As of November 1, 2003 the Kona Small Business Development Center (SBDC) will be closing its doors due to lack of funding. The SBDC has been a valuable resource to many small business owners and potential businesses. As a result of economic hard times this Center has lost its ability to help fuel the small business community. A vehicle that was developed to assist small businesses has come to an abrupt end, but not without leaving its footprints on the doorsteps or newly formed businesses. It's the small business communities hope that they have not seen the last of the Kona SBDC but like the Phoenix it too will rise from the ashes.

## 2003 SBA SMALL BUSINESS PERSONS OF THE YEAR

**The SBA named Sharon E. Bennett and Evan C. Wooten as its 2003 Small Business Persons of the Year. Bennett and Wooten are the co-owners of Premier Pet Products, a Virginia-based company that produces specialty pet products.** The award was presented to the winners during SBA's National Entrepreneurial Conference and Expo in Washington, DC in September.

The 2003 award marked the 40<sup>th</sup> annual National Small Business Person of the Year honor. Winners are selected from among the state Small Business Persons of the Year representing the 50 states, the District of Columbia, Puerto Rico, and Guam.

The State of Hawaii's 2003 SBA Small Business Person of Year is Jeanette Chang, President of Otsuka's Furniture and Appliances, which is based in Kauai.

Last year, SBA's National Small Business Person of the Year was Hawaii's Thanh Lam, president of Ba-Le Sandwich & Bakery.



## WORKFORCE TRANSFORMATION

### MARY DALE JOINS FINANCE DIVISION AS HAWAII DISTRICT OFFICE EMBARKS ON CROSS-TRAINING INITIATIVE



The Hawaii District Office (HDO) has begun an office-wide cross-training initiative as it prepares its staff for SBA's Workforce Transformation, which is scheduled to take effect in fiscal year 2004 for HDO. Workforce Transformation is an effort by SBA to centralize certain functions that are currently performed in district offices throughout the country. Some of the functions slated for transfer to centralized processing centers include: loan liquidation, loan processing, and 8(a) annual reviews. Transformation will allow district offices to become more customer service oriented and more focused on outreach efforts.

Three HDO staff members are participating in the cross-training initiative – Mary Dale from the Entrepreneurial Development Division, Erlyne Lum from 8(a) Business Development, and Lyn Womack from the Finance Division. The three have just begun a four-month rotation with Mary going to the Finance Division, Erlyne going to Entrepreneurial Development, and Lyn going to 8(a) Business Development. If you'd like to contact Mary, her phone number is 808-541-2983 and e-mail address is [mary.dale@sba.gov](mailto:mary.dale@sba.gov).

## UPCOMING EVENTS

### OAHU

**October 15, 2003**

8(a) APPLICATION WORKSHOP

Contact: Joyce Tamayose, SBA, 541-2966

**October 20, 2003**

504 TRAINING

TBD

**October 21, 2003**

WOMEN IN CONSTRUCTION NETWORKING  
BREAKFAST

Hawaii Women's Business Center 522-8136

**October 24, 2003**

MICRO ENTERPRISE 101

Hawaii Women's Business Center 522-8136

**October 27, 2003**

BUSINESS ROUNDTABLE

Hawaii Women's Business Center 522-8136

**November 3, 2003**

LOAN WORKSHOP

Hawaii Women's Business Center 522-8136

**November 11, 2003**

STATE & FEDERAL TAX PROCEDURES FOR SMALL BUSINESS

Hawaii Women's Business Center 522-8136

**November 13, 2003**

BUSINESS STRATEGIES

Hawaii Women's Business Center 522-8136

**November 21, 2003**

MICRO ENTERPRISE 101

Hawaii Women's Business Center 522-8136

**December 9, 2003**

STATE & FEDERAL TAX PROCEDURES FOR SMALL BUSINESS

Hawaii Women's Business Center 522-8136

**SBA Hawaii District Office**  
**Loan Activity, FY 2003**  
 Twelve Months Ended 9/30/03

Bank	No. of Loans	Loan Amount (000's) Gross	SBA
Bank of Hawaii	89	7999.7	4625.2
First Hawaiian Bank/Bank of the West	76	10770.9	6675.6
Innovative Bank	51	379.0	318.3
American Savings Bank	25	2685.0	2173.7
Citizens Security Bank	15	2079.9	1593.3
City Bank	13	2610.1	2043.7
Hawaii National Bank	11	3085.0	1779.2
Central Pacific Bank	7	777.0	622.3
Bank of Guam	2	225.0	173.7
Business Loan Center Inc	1	675.0	506.2
BankPacific, Ltd.	1	50.0	42.5
Other	1	120.0	102.0
<b>Total 7(a) Loans</b>	<b>292</b>	<b>31456.6</b>	<b>20601.7</b>
<b>HEDCO 504 Loans</b>	<b>33</b>	<b>16406.0</b>	<b>16406.0</b>
<b>Lokahi Pacific 504 Loans</b>	<b>1</b>	<b>1086.0</b>	<b>1086.0</b>
<b>MicroLoans</b>	<b>5</b>	<b>27.5</b>	<b>27.5</b>
<b>Grand Total</b>	<b>331</b>	<b>48976.1</b>	<b>38121.2</b>

NUMBER OF LOANS BY COUNTY & GUAM

	Oahu	Hawaii	Maui	Kauai	Guam	Total
Bank of Hawaii	41	26	13	6	3	89
First Hawaiian Bank/Bank of the West	47	11	5	8	5	76
Innovative Bank	32	7	4	8		51
American Savings Bank	23		2			25
Citizens Security Bank					15	15
City Bank	8	1	4			13
Hawaii National Bank	10	1				11
Central Pacific Bank	7					7
Bank of Guam					2	2
Business Loan Center Inc	1					1
BankPacific, Ltd.					1	1
Other	1					1
<b>Total 7(a) Loans</b>	<b>170</b>	<b>46</b>	<b>28</b>	<b>22</b>	<b>26</b>	<b>292</b>
<b>Total 504 Loans</b>	<b>27</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>34</b>
<b>MicroLoans</b>	<b>5</b>					<b>5</b>
<b>Grand Total</b>	<b>202</b>	<b>47</b>	<b>32</b>	<b>23</b>	<b>27</b>	<b>331</b>



<p><b>2003 SBA LENDER OF THE YEAR AWARDS</b></p> <p><b>FINAL STANDINGS</b></p>
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## **SBA Hawaii District Office**

### **Lender of the Year Award**

### **Ranking at Twelve Months, 9/30/2003**

	<b><u>No. of Loans in Hawaii &amp; Guam</u></b>	<b><u>Loans X 2</u></b>	<b><u>Bonus Points</u></b>	<b><u>Total Points</u></b>
<b><u>CATEGORY I</u></b>				
Bank of Hawaii (Hawaii & Guam)	89	178	32	210
First Hawaiian Bank/ Bank of the West (Hawaii & Guam)	76	152	25	177

	<b><u>No. of Loans in Hawaii</u></b>	<b><u>Loans X 2</u></b>	<b><u>Bonus Points</u></b>	<b><u>Total Points</u></b>
<b><u>CATEGORY II</u></b>				
American Savings Bank	25	50	14	64
City Bank	13	26	3	29
Hawaii National Bank	11	22	3	25
Central Pacific Bank	7	14	5	19

## 2003 SBA LENDING OFFICER OF THE YEAR AWARDS PROGRAM

### FINAL STANDINGS

#### GOLD, SILVER AND BRONZE FOR OAHU

Lending Officer	Bank	Branch	# Loans	Points = # Loans X 2	Bonus Points				Pts. + Bonus Pts.
					Women	Veteran	Capline	IT/EWCP	
Dickinson, John	ASB	Main	16	32	6	5			43
Matsumoto, Patrick	BOH	Ala Moana	12	24	5	1			30
Nakagawa, Raymond	ASB	Main	9	18	3				21

#### Honorably Recognized for Oahu

Lending Officer	Bank	Branch	# Loans	Points = # Loans X 2	Bonus Points				Pts. + Bonus Pts.
					Women	Veteran	Capline	IT/EWCP	
McLean, Ann	FHB	Kailua	8	16	3	1			20
Kaneko, Steven	BOH	Kaimuki	7	14	2	2			18
Zheng, Janice	FHB	Main	7	14	2				16
Maglaya, Susan	CB	Main	5	10	1		1		12
Ventura, Jeff	FHB	Ward	4	8	1				9
Masuno, Naomi	CPB	Kaimuki	3	6	2		1		9
Chang, Ronald	FHB	Kapiolani	4	8					8
Kihe, Demaney	HNB	Airport	4	8					8
Au, Randy	BOH	Waipahu	3	6	1	1			8
Olanolan, Beulah	BOH	Pearlridge	3	6	1	1			8
Shimozono, Alan	BOH	Waikiki	3	6	1				7
Sung, Joe	BOH	Metro	3	6	1				7

## LENDING OFFICER OF THE YEAR AWARDS PROGRAM

### GOLD AND SILVER AWARDS FOR THE NEIGHBOR ISLANDS

Lending Officer	Bank	Branch	# Loans	Points = # Loans X 2	Bonus Points				Pts. + Bonus Pts.
					Women	Veteran	Capline	IT/EWCP	
<b><i>Kauai</i></b>									
Murata, Jeff	FHB	Lihue	7	14	4				18
Mayfield, James	BOH	Lihue	3	6					6

Lending Officer	Bank	Branch	# Loans	Points = # Loans X 2	Bonus Points				Pts. + Bonus Pts.
					Women	Veteran	Capline	IT/EWCP	
<b><i>Maui</i></b>									
Peterson, Bard	FHB	Kahului	4	8	2				10
Yoshida, Kevin	CB	Kahului	4	8					8

Lending Officer	Bank	Branch	# Loans	Points = # Loans X 2	Bonus Points				Pts. + Bonus Pts.
					Women	Veteran	Capline	IT/EWCP	
<b><i>East Hawaii</i></b>									
Kang, Calvin	BOH	Waiakea	7	14					14
Grugier, Elina	FHB	Hilo	5	10					10

Lending Officer	Bank	Branch	# Loans	Points = # Loans X 2	Bonus Points				Pts. + Bonus Pts.
					Women	Veteran	Capline	IT/EWCP	
<b><i>West Hawaii</i></b>									
Jones, Alison	BOH	Kailua-Kona	9	18	5				23
Potter, Emily	BOH	Kamuela	3	6	2				8

